FOR OHF USE

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2003
STATE OF ILLINOIS
DEPARTMENT OF PUBLIC AID
FINANCIAL AND STATISTICAL REPORT FOR LONG-TERM CARE FACILITIES
(FISCAL YEAR 2003)

IMPORTANT NOTICE
THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

I. IDPH Facility ID Number: 0044453

Facility Name: Pinnacle Health Care

Address: 2222 West 14Th Stree (Number) Waukegan (City) 60085 (Zip Code)

County: Lake

Telephone Number: (847) 249-0536 **Fax #** (847) 249-2400

IDPA ID Number: 364302186002

Date of Initial License for Current Owners: 08/01/99

Type of Ownership:

	VOLUNTARY,NON-PROFIT	X	PROPRIETARY		GOVERNMENTAL
	Charitable Corp.		Individual		State
	Trust		Partnership		County
IRS Exemption Code			Corporation		Other
			"Sub-S" Corp.		
		X	Limited Liability Co.		
			Trust		
			Other		

In the event there are further questions about this report, please contact:
Name: Steve Lavenda **Telephone Number:** (847) 236 - 1111

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 01/01/03 to 12/31/03 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or Administrator of Provider
(Signed) (Date)
(Type or Print Name)
(Title)

Paid Preparer
(Signed) (Date)
(Print Name and Title) Edward N. Slack, C.P.A.
(Firm Name & Address) Frost, Ruttenberg & Rothblatt, P.C.
111 Pfingsten Road, Suite 300 Deerfield, IL 60015
(Telephone) (847) 236-1111 Fax # (847) 236-1155

MAIL TO: OFFICE OF HEALTH FINANCE
ILLINOIS DEPARTMENT OF PUBLIC AID
201 S. Grand Avenue East
Springfield, IL 62763-0001 Phone # (217) 782-1630

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days, (must agree with license). Date of change in licensed beds N/A

	1 Beds at Beginning of Report Period	2 Licensure Level of Care	3 Beds at End of Report Period	4 Licensed Bed Days During Report Period	
1	125	Skilled (SNF)	125	45,625	1
2		Skilled Pediatric (SNF/PED)			2
3	146	Intermediate (ICF)	146	53,290	3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	271	TOTALS	271	98,915	7

B. Census-For the entire report period.

	1 Level of Care	2 Patient Days by Level of Care and Primary Source of Payment: Public Aid Recipient	3 Private Pay	4 Other	5 Total	
8	SNF	23,119	1,844	7,547	32,510	8
9	SNF/PED					9
10	ICF	38,459	2,712	865	42,036	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	61,578	4,556	8,412	74,546	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 75.36%

D. How many bed-hold days during this year were paid by Public Aid? None (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients. (E.g., day care, "meals on wheels", outpatient therapy)
Child Care

F. Does the facility maintain a daily midnight census? Yes

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care?
YES [ ] NO [X]

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?
YES [ ] NO [X]

I. On what date did you start providing long term care at this location?
Date started 8/1/99

J. Was the facility purchased or leased after January 1, 1978?
YES [X] Date 8/1/99 NO [ ]

K. Was the facility certified for Medicare during the reporting year?
YES [X] NO [ ] If YES, enter number of beds certified 22 and days of care provided 6,779

Medicare Intermediary Adminastar Federal

IV. ACCOUNTING BASIS

ACCRUAL [X] MODIFIED CASH* [ ] CASH* [ ]

Is your fiscal year identical to your tax year? YES [X] NO [ ]

Tax Year: 12/31/03 Fiscal Year: 12/31/03

* All facilities other than governmental must report on the accrual basis.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 **Report Period Beginning:** 01/01/03 **Ending:** 12/31/03

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger Salary/Wage 1	Supplies 2	Other 3	Total 4	Reclass-ification 5	Reclassified Total 6	Adjust-ments 7	Adjusted Total 8	FOR OHF USE ONLY 9	10	
	A. General Services											
1	Dietary	342,790	43,127	13,471	399,388		399,388	2,661	402,049			1
2	Food Purchase		392,616		392,616		392,616	(2,566)	390,050			2
3	Housekeeping	210,179			210,179		210,179	(3,816)	206,363			3
4	Laundry	103,445	19,536		122,981		122,981	(1,362)	121,619			4
5	Heat and Other Utilities			232,988	232,988		232,988	(1,911)	231,077			5
6	Maintenance	75,870	64,153	75,007	215,030		215,030	2,075	217,105			6
7	Other (specify):*							651	651			7
8	**TOTAL General Services**	732,284	519,432	321,466	1,573,182		1,573,182	(4,268)	1,568,914			8
	B. Health Care and Programs											
9	Medical Director			36,000	36,000		36,000		36,000			9
10	Nursing and Medical Records	3,122,397	229,751	22,500	3,374,648		3,374,648	(13,202)	3,361,446			10
10a	Therapy	147,571	65,385	6,027	218,983		218,983	215	219,198			10a
11	Activities	118,974	7,780	2,024	128,778		128,778	12	128,790			11
12	Social Services	148,083	379	2,853	151,315		151,315	64	151,379			12
13	Nurse Aide Training											13
14	Program Transportation											14
15	Other (specify):*							4,582	4,582			15
16	**TOTAL Health Care and Programs**	3,537,025	303,295	69,404	3,909,724		3,909,724	(8,330)	3,901,394			16
	C. General Administration											
17	Administrative	109,056		136,000	245,056		245,056	(27,225)	217,831			17
18	Directors Fees											18
19	Professional Services			195,798	195,798		195,798	(150,749)	45,049			19
20	Dues, Fees, Subscriptions & Promotions			59,448	59,448		59,448	(31,134)	28,314			20
21	Clerical & General Office Expenses	83,639		709,618	793,257		793,257	(531,769)	261,488			21
22	Employee Benefits & Payroll Taxes			758,508	758,508		758,508	(845)	757,663			22
23	Inservice Training & Education											23
24	Travel and Seminar			340	340		340	995	1,335			24
25	Other Admin. Staff Transportation							1,777	1,777			25
26	Insurance-Prop.Liab.Malpractice			159,826	159,826		159,826	7,018	166,844			26
27	Other (specify):*							25,944	25,944			27
28	**TOTAL General Administration**	192,695		2,019,538	2,212,233		2,212,233	(705,988)	1,506,245			28
29	**TOTAL Operating Expense (sum of lines 8, 16 & 28)**	4,462,004	822,727	2,410,408	7,695,139		7,695,139	(718,586)	6,976,553			29

***Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.**

SEE ACCOUNTANTS' COMPILATION REPORT

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

Facility Name & ID Number Pinnacle Health Care #0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4	5	6	7	8	9	10	
	D. Ownership											
30	Depreciation			143,023	143,023		143,023	8,526	151,549			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			137,906	137,906		137,906	12,854	150,760			32
33	Real Estate Taxes			102,773	102,773		102,773	948	103,721			33
34	Rent-Facility & Grounds			1,286,123	1,286,123		1,286,123	19,041	1,305,164			34
35	Rent-Equipment & Vehicles			20,374	20,374		20,374	4,815	25,189			35
36	Other (specify):*											36
37	**TOTAL Ownership**			1,690,199	1,690,199		1,690,199	46,184	1,736,383			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers	146,483	364,403	262,656	773,542		773,542	(43,534)	730,008			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			148,373	148,373		148,373		148,373			42
43	Other (specify):*	56,096	1,239		57,335		57,335	(57,335)				43
44	**TOTAL Special Cost Centers**	202,579	365,642	411,029	979,250		979,250	(100,869)	878,381			44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	4,664,583	1,188,369	4,511,636	10,364,588		10,364,588	(773,271)	9,591,317			45

***Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VI. ADJUSTMENT DETAIL

A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7. In column 2 below, reference the line on which the particular cost was included. (See instructions.)

	NON-ALLOWABLE EXPENSES	1 Amount	2 Refer-ence	3 OHF USE ONLY	
1	Day Care	$		$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals				4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	(59,813)	30		9
10	Interest and Other Investment Income	(7)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(240)	02		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties				18
19	Entertainment				19
20	Contributions				20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(583,129)	21		24
25	Fund Raising, Advertising and Promotional	(16,071)	20		25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	Nurse Aide Training for Non-Employees				27
28	Yellow Page Advertising	(1,547)	20		28
29	Other-Attach Schedule	(282,208)			29
30	**SUBTOTAL (A): (Sum of lines 1-29)**	$ (943,015)		$	30

OHF USE ONLY								
48		49		50		51		52

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

		1 Amount	2 Reference	
31	Non-Paid Workers-Attach Schedule*	$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	169,744		34
35	Other- Attach Schedule			35
36	**SUBTOTAL (B): (sum of lines 31-35)**	$ 169,744		36
37	**TOTAL ADJUSTMENTS (sum of SUBTOTALS (A) and (B))**	$ (773,271)		37

***These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.**

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

		1 Yes	2 No	3 Amount	4 Reference	
38	Medically Necessary Transport.			$		38
39						39
40	Gift and Coffee Shops					40
41	Barber and Beauty Shops					41
42	Laboratory and Radiology					42
43	Prescription Drugs					43
44	Exceptional Care Program					44
45	Other-Attach Schedule					45
46	Other-Attach Schedule					46
47	**TOTAL (C): (sum of lines 38-46)**			$		47

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Pinnacle Health Care

ID# 0044453

Report Period Beginning: 01/01/03

Ending: 12/31/03

	NON-ALLOWABLE EXPENSES	Amount	Sch. V Line Reference	
1	VA Expense	$ (27,811)	10	1
2	Marketing Consultant	(2,750)	20	2
3	Collection Expense	(15,600)	21	3
4	Marketing Expense	(11,625)	20	4
5	Bank Charges	(31,049)	21	5
6	Day Care Center Expenses	(57,335)	43	6
7	Theft Loss	(108)	21	7
8	Non-Allowable Management Fees	(40,000)	17	8
9	Prior Period Adjustment	(57,828)	21	9
10	Prior Period Legal	(5,962)	19	10
11	Misc. Income	(25,280)	21	11
12	Day Care Center Allocated Expenses			12
13	Utilities	(3,810)	05	13
14	Housekeeping	(650)	03	14
15	Food	(2,400)	02	15
16				16
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100				100
101	**Total**	(282,208)		101

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Operating Expenses	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	A. General Services													
1	Dietary			21	1,393	2,603			(1,356)				2,661	1
2	Food Purchase	(2,640)		(38)		127			(15)				(2,566)	2
3	Housekeeping	(650)			400				(3,566)				(3,816)	3
4	Laundry								(1,362)				(1,362)	4
5	Heat and Other Utilities	(3,810)		638						1,261			(1,911)	5
6	Maintenance			666	1,465	9			(65)				2,075	6
7	Other (specify):*				404	247							651	7
8	**TOTAL General Services**	(7,100)		1,287	3,662	2,986			(6,364)	1,261			(4,268)	8
	B. Health Care and Programs													
9	Medical Director													9
10	Nursing and Medical Records	(27,811)		84	4,625				(6,945)		16,845		(13,202)	10
10a	Therapy				216				(1)				215	10a
11	Activities			12									12	11
12	Social Services				64				(0)				64	12
13	Nurse Aide Training													13
14	Program Transportation													14
15	Other (specify):*				597						3,985		4,582	15
16	**TOTAL Health Care and Programs**	(27,811)		96	5,502				(6,947)		20,830		(8,330)	16
	C. General Administration													
17	Administrative	(40,000)			4,653	177					7,945		(27,225)	17
18	Directors Fees													18
19	Professional Services	(5,962)		(11,133)		58				(133,712)			(150,749)	19
20	Fees, Subscriptions & Promotions	(31,993)		489		16				354			(31,134)	20
21	Clerical & General Office Expenses	(712,994)		7,099	46,165	376			(20)	27,203	100,402		(531,769)	21
22	Employee Benefits & Payroll Taxes							(669)	(176)				(845)	22
23	Inservice Training & Education													23
24	Travel and Seminar			307		485				203			995	24
25	Other Admin. Staff Transportation									1,777			1,777	25
26	Insurance-Prop.Liab.Malpractice			528						6,490			7,018	26
27	Other (specify):*				6,279						19,665		25,944	27
28	**TOTAL General Administration**	(790,949)		(2,710)	57,097	1,112		(669)	(196)	(97,685)	128,012		(705,988)	28
29	**TOTAL Operating Expense (sum of lines 8,16 & 28)**	(825,860)		(1,327)	66,261	4,098		(669)	(13,507)	(96,424)	148,842		(718,586)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Pinnacle Health Care # 0044453 **Report Period Beginning:** 01/01/03 **Ending:** 12/31/03

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Capital Expense	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY	
	D. Ownership	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	TOTALS (to Sch V, col.7)	
30	Depreciation	(59,813)		3,399			14,932			50,008			8,526	30
31	Amortization of Pre-Op. & Org.													31
32	Interest	(7)		6,689		4	2,315			3,853			12,854	32
33	Real Estate Taxes			948									948	33
34	Rent-Facility & Grounds			1,569						17,472			19,041	34
35	Rent-Equipment & Vehicles			742		94				3,979			4,815	35
36	Other (specify):*													36
37	**TOTAL Ownership**	(59,820)		13,347		98	17,247			75,312			46,184	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation													38
39	Ancillary Service Centers					(7,667)	(32,100)		(3,767)				(43,534)	39
40	Barber and Beauty Shops													40
41	Coffee and Gift Shops													41
42	Provider Participation Fee													42
43	Other (specify):*	(57,335)											(57,335)	43
44	**TOTAL Special Cost Centers**	(57,335)				(7,667)	(32,100)		(3,767)				(100,869)	44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	(943,015)		12,020	66,261	(3,471)	(14,853)	(669)	(17,274)	(21,112)	148,842		(773,271)	45

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
See Attached		See Attached		See Attached		

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

	1 Schedule V	2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
1	V	34	Rental Income/Expense	$ 1,286,123	Northshore Properties	100.00%	$ 1,286,123	$	1
2	V	33	RE Tax Income/Expense	102,773	Northshore Properties	100.00%	102,773		2
3	V								3
4	V								4
5	V								5
6	V								6
7	V								7
8	V								8
9	V								9
10	V								10
11	V								11
12	V								12
13	V								13
14	Total			$ 1,388,896			$ 1,388,896	$ *	14

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	01	Dietary	$	Care Centers, Inc.	100.00%	$ 21	$ 21	15
16	V	05	Utilities		Care Centers, Inc.	100.00%	638	638	16
17	V	06	Maintenance		Care Centers, Inc.	100.00%	666	666	17
18	V	10	Nursing	13	Care Centers, Inc.	100.00%	97	84	18
19	V	11	Activities		Care Centers, Inc.	100.00%	12	12	19
20	V	19	Professional Fees	15,400	Care Centers, Inc.	100.00%	4,267	(11,133)	20
21	V	20	Dues and Subscriptions		Care Centers, Inc.	100.00%	489	489	21
22	V	21	Office & Clerical		Care Centers, Inc.	100.00%	7,099	7,099	22
23	V	24	Travel and Seminar		Care Centers, Inc.	100.00%	307	307	23
24	V	26	Insurance		Care Centers, Inc.	100.00%	528	528	24
25	V	30	Depreciation		Care Centers, Inc.	100.00%	3,399	3,399	25
26	V	32	Interest		Care Centers, Inc.	100.00%	6,689	6,689	26
27	V	33	Real Estate Taxes		Care Centers, Inc.	100.00%	948	948	27
28	V	34	Rent - Building		Care Centers, Inc.	100.00%	1,569	1,569	28
29	V	35	Rent - Equipment and Auto		Care Centers, Inc.	100.00%	742	742	29
30	V	25	Bus Reimbursement		Care Centers, Inc.	100.00%			30
31	V	02	Food	38	Care Centers, Inc.	100.00%		(38)	31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 15,451			$ 27,471	$ * 12,020	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	01	Dietary Salary	$	Care Centers, Inc.	100.00%	$ 1,393	$ 1,393	15
16	V	03	Housekeeping Salary		Care Centers, Inc.	100.00%	400	400	16
17	V	06	Maintenance Salary		Care Centers, Inc.	100.00%	1,465	1,465	17
18	V	07	Emp. Ben. - Gen. Serv.		Care Centers, Inc.	100.00%	404	404	18
19	V	10	Nursing Salary		Care Centers, Inc.	100.00%	4,625	4,625	19
20	V	10a	Rehab Salary		Care Centers, Inc.	100.00%	216	216	20
21	V	12	Social Services Salary		Care Centers, Inc.	100.00%	64	64	21
22	V	15	Emp. Ben. - Healthcare		Care Centers, Inc.	100.00%	597	597	22
23	V	17	Administration Salary		Care Centers, Inc.	100.00%	4,653	4,653	23
24	V	21	Office Salary		Care Centers, Inc.	100.00%	46,165	46,165	24
25	V	27	Emp. Ben. - Gen. Admin.		Care Centers, Inc.	100.00%	6,279	6,279	25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$			$ 66,261	$ * 66,261	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	01	Dietary	$ 273	Care Centers, Inc. - Health Systems Division	100.00%	$ 979	$ 706	15
16	V	02	Food		Care Centers, Inc. - Health Systems Division	100.00%	127	127	16
17	V	06	Maintenance		Care Centers, Inc. - Health Systems Division	100.00%	9	9	17
18	V	17	Administration		Care Centers, Inc. - Health Systems Division	100.00%	177	177	18
19	V	19	Professional Fees		Care Centers, Inc. - Health Systems Division	100.00%	58	58	19
20	V	20	Dues & Subscriptions		Care Centers, Inc. - Health Systems Division	100.00%	16	16	20
21	V	21	Office & Clerical		Care Centers, Inc. - Health Systems Division	100.00%	376	376	21
22	V	24	Travel & Seminar		Care Centers, Inc. - Health Systems Division	100.00%	485	485	22
23	V	32	Interest Expense		Care Centers, Inc. - Health Systems Division	100.00%	4	4	23
24	V	35	Rent - Equipment & Auto		Care Centers, Inc. - Health Systems Division	100.00%	94	94	24
25	V	39	Ancillary Enteral Supplies	14,375	Care Centers, Inc. - Health Systems Division	100.00%	6,708	(7,667)	25
26	V	01	Dietary - Salary		Care Centers, Inc. - Health Systems Division	100.00%	1,897	1,897	26
27	V	07	Emp. Ben. - Gen. Serv.		Care Centers, Inc. - Health Systems Division	100.00%	247	247	27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 14,648			$ 11,177	$ * (3,471)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	30	Depreciation	$	Vent Lease, LLC.	100.00%	$ 14,932	$ 14,932	15
16	V	32	Interest		Vent Lease, LLC.	100.00%	2,315	2,315	16
17	V	39	Vent Reimbursement	32,100	Vent Lease, LLC.	100.00%		(32,100)	17
18	V								18
19	V								19
20	V								20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 32,100			$ 17,247	$ * (14,853)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	22	EMPLOYEE HEALTH INSURANCE	$	CCS EMPLOYEE BENEFIT GROUP	100.00%	$ 158,554	$ 158,554	15
16	V								16
17	V								17
18	V								18
19	V	22	EMPLOYEE HEALTH INSURANCE	159,223	CCS EMPLOYEE BENEFIT GROUP	100.00%		(159,223)	19
20	V								20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 159,223			$ 158,554	$ * (669)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	01	DIETARY	$ 10,303	XCEL MEDICAL SUPPLY, LLC	100.00%	$ 8,947	$ (1,356)	15
16	V	02	FOOD	118	XCEL MEDICAL SUPPLY, LLC	100.00%	102	(15)	16
17	V	03	HOUSEKEEPING	27,094	XCEL MEDICAL SUPPLY, LLC	100.00%	23,528	(3,566)	17
18	V	04	LAUNDRY	10,347	XCEL MEDICAL SUPPLY, LLC	100.00%	8,985	(1,362)	18
19	V	06	REPAIRS & MAINTENANCE	490	XCEL MEDICAL SUPPLY, LLC	100.00%	426	(65)	19
20	V	10	NURSING	52,766	XCEL MEDICAL SUPPLY, LLC	100.00%	45,820	(6,945)	20
21	V	10A	THERAPY	8	XCEL MEDICAL SUPPLY, LLC	100.00%	7	(1)	21
22	V	12	SOCIAL SERVICE	1	XCEL MEDICAL SUPPLY, LLC	100.00%	1	(0)	22
23	V	21	CLERICAL & GENERAL OFFICE	152	XCEL MEDICAL SUPPLY, LLC	100.00%	132	(20)	23
24	V	22	EMPLOYEE BENEFITS	1,338	XCEL MEDICAL SUPPLY, LLC	100.00%	1,162	(176)	24
25	V	39	ANCILLARY	28,620	XCEL MEDICAL SUPPLY, LLC	100.00%	24,853	(3,767)	25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 131,238			$ 113,964	$ * (17,274)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	05	Utilities	$	Pinnacle Care Health Services, LLC	100.00%	$ 1,261	$ 1,261	15
16	V	19	Professional Fees		Pinnacle Care Health Services, LLC	100.00%	1,865	1,865	16
17	V	20	Dues and Subscriptions		Pinnacle Care Health Services, LLC	100.00%	354	354	17
18	V	21	Office		Pinnacle Care Health Services, LLC	100.00%	27,203	27,203	18
19	V	24	Travel and Seminar		Pinnacle Care Health Services, LLC	100.00%	203	203	19
20	V	25	Other Staff Transportation		Pinnacle Care Health Services, LLC	100.00%	1,777	1,777	20
21	V	26	Insurance		Pinnacle Care Health Services, LLC	100.00%	6,490	6,490	21
22	V	30	Depreciation		Pinnacle Care Health Services, LLC	100.00%	50,008	50,008	22
23	V	32	Interest		Pinnacle Care Health Services, LLC	100.00%	3,853	3,853	23
24	V	34	Rent - Building		Pinnacle Care Health Services, LLC	100.00%	17,472	17,472	24
25	V	35	Rent - Equipment		Pinnacle Care Health Services, LLC	100.00%	3,979	3,979	25
26	V								26
27	V	19	Home Office/Bookkeeping Fees	135,577	Pinnacle Care Health Services, LLC	100.00%		(135,577)	27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 135,577			$ 114,465	$ * (21,112)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	10	Nursing	$ 8,000	Pinnacle Care Health Services, LLC	100.00%	$ 24,845	$ 16,845	15
16	V	15	Employee Benefits		Pinnacle Care Health Services, LLC	100.00%	3,985	3,985	16
17	V	17	Administration		Pinnacle Care Health Services, LLC	100.00%	7,945	7,945	17
18	V	21	Office		Pinnacle Care Health Services, LLC	100.00%	100,402	100,402	18
19	V	27	Employee Benefits		Pinnacle Care Health Services, LLC	100.00%	19,665	19,665	19
20	V								20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 8,000			$ 156,842	$ * 148,842	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☐ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V			$			$	$	15
16	V								16
17	V								17
18	V								18
19	V								19
20	V								20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$			$	$ *	39

*** Total must agree with the amount recorded on line 34 of Schedule VI.**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1	2	3	4	5	6		7		8	
	Name	Title	Function	Ownership Interest	Compensation Received From Other Nursing Homes*	Average Hours Per Work Week Devoted to this Facility and % of Total Work Week Hours	Percent	Compensation Included in Costs for this Reporting Period** Description	Amount	Schedule V. Line & Column Reference	
1	Adam Vales	Owner	Clerical	4.98%	See Attached	0.82	2.05%	Alloc Salary	$ 635	22-7	1
2	Barry Gans	Owner	Administrative	35.42%	See Attached	25.00	35.71%	Fees, Allc Sal	103,945	17-3, 17-7	2
3	Mark Steinberg	Relative	Administrative		See Attached			Alloc Salary	646	17-7	3
4	Eric Rothner	Relative	Administrative		See Attached	0.52	0.95%				4
5											5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	$ 105,226		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees). FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME, ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [ ] NO [X]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization
Street Address
City / State / Zip Code
Phone Number ( )
Fax Number ( )

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1						$	$		$	1
2										2
3										3
4										4
5										5
6										6
7										7
8										8
9										9
10										10
11										11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					$	$		$	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [X] NO [ ]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: Care Centers, Inc.
Street Address: 2202 West Main Street
City / State / Zip Code: Evanston, Illinois 60202
Phone Number: (847) 905-3000
Fax Number: (847) 905-3030

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	01	Dietary	Patient Days	1,764,895	42	$ 1,527	$	24,366	$ 21	1
2	05	Utilities	Patient Days	1,764,895	42	46,229		24,366	638	2
3	06	Maintenance	Patient Days	1,764,895	42	48,251		24,366	666	3
4	10	Nursing	Patient Days	1,764,895	42	7,018		24,366	97	4
5	11	Activities	Patient Days	1,764,895	42	838		24,366	12	5
6	19	Professional Fees	Patient Days	1,764,895	42	309,074		24,366	4,267	6
7	20	Dues and Subscriptions	Patient Days	1,764,895	42	35,428		24,366	489	7
8	21	Office & Clerical	Patient Days	1,764,895	42	523,091		24,366	7,099	8
9	24	Travel and Seminar	Patient Days	1,764,895	42	22,233		24,366	307	9
10	26	Insurance	Patient Days	1,764,895	42	38,230		24,366	528	10
11	30	Depreciation	Patient Days	1,764,895	42	246,194		24,366	3,399	11
12	32	Interest	Patient Days	1,764,895	42	484,531		24,366	6,689	12
13	33	Real Estate Taxes	Patient Days	1,764,895	42	68,681		24,366	948	13
14	34	Rent - Building	Patient Days	1,764,895	42	113,677		24,366	1,569	14
15	35	Rent - Equipment & Auto	Patient Days	1,764,895	42	53,777		24,366	742	15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					$ 1,998,780	$		$ 27,471	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [X] NO [ ]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: Care Centers, Inc.
Street Address: 2202 West Main Street
City / State / Zip Code: Evanston, Illinois 60202
Phone Number: (847) 905-3000
Fax Number: (847) 905-3030

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	01	Dietary Salary	Patient Days	1,764,895	42	100,923	100,923	24,366	1,393	1
2	03	Housekeeping Salary	Patient Days	1,764,895	42	28,979	28,979	24,366	400	2
3	06	Maintenance Salary	Patient Days	1,764,895	42	106,088	106,088	24,366	1,465	3
4	07	Emp. Ben. - Gen. Serv.	Patient Days	1,764,895	42	29,264		24,366	404	4
5	10	Nursing Salary	Patient Days	1,764,895	42	335,028	335,028	24,366	4,625	5
6	10a	Rehab Salary	Patient Days	1,764,895	42	15,649	15,649	24,366	216	6
7	12	Social Services Salary	Patient Days	1,764,895	42	4,661	4,661	24,366	64	7
8	15	Emp. Ben. - Healthcare	Patient Days	1,764,895	42	43,235		24,366	597	8
9	17	Administration Salary	Patient Days	1,764,895	42	337,043	337,043	24,366	4,653	9
10	21	Office Salary	Patient Days	1,764,895	42	3,343,864	3,343,864	24,366	46,165	10
11	27	Emp. Ben. - Gen. Admin.	Patient Days	1,764,895	42	454,813		24,366	6,279	11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					$ 4,799,547	$ 4,272,235		$ 66,261	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [X] NO [ ]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: Care Centers, Inc.
Street Address: 2202 West Main Street
City / State / Zip Code: Evanston, Illinois 60202
Phone Number: (847) 905-3000
Fax Number: (847) 905-3030

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	01	Dietary	Billable Income	2,073,579		138,556		14,648	979	1
2	02	Food	Billable Income	2,073,579		852,614		14,648	127	2
3	06	Maintenance	Billable Income	2,073,579		1,311		14,648	9	3
4	17	Administration	Billable Income	2,073,579		25,000		14,648	177	4
5	19	Professional Fees	Billable Income	2,073,579		8,170		14,648	58	5
6	20	Dues & Subscriptions	Billable Income	2,073,579		2,312		14,648	16	6
7	21	Office & Clerical	Billable Income	2,073,579		53,285		14,648	376	7
8	24	Travel & Seminar	Billable Income	2,073,579		68,680		14,648	485	8
9	32	Interest Expense	Billable Income	2,073,579		571		14,648	4	9
10	35	Rent - Equipment & Auto	Billable Income	2,073,579		13,336		14,648	94	10
11	39	Ancillary Enteral Supplies	Billable Income	2,073,579		114,955		14,648	6,708	11
12	01	Dietary - Salary	Billable Income	2,073,579		268,554	268,554	14,648	1,897	12
13	07	Emp. Ben. - Gen. Serv.	Billable Income	2,073,579		34,942		14,648	247	13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					$ 1,582,287	$ 268,554		$ 11,177	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [X] NO [ ]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: Vent Lease, LLC
Street Address: 4101 W. Main Street
City / State / Zip Code: Skokie, Illinois 60076
Phone Number: (847) 674-1180
Fax Number: (847) 673-7741

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	30	Depreciation	Direct Billing	483,700	17	$ 225,000	$	32,100	$ 14,932	1
2	32	Interest	Direct Billing	483,700	17	34,879		32,100	2,315	2
3										3
4										4
5										5
6										6
7										7
8										8
9										9
10										10
11										11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					$ 259,879	$		$ 17,247	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [X] NO [ ]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: CCS EMPLOYEE BENEFITS GROUP, INC.
Street Address: 4101 W. MAIN ST.
City / State / Zip Code: SKOKIE, IL 60076
Phone Number: (847)905-4000
Fax Number: (847)905-4040

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	22	EMPLOYEE HEALTH INSURA	DIRECT ALLOCATION			$	$		$ 158,554	1
2										2
3										3
4										4
5										5
6										6
7										7
8										8
9										9
10										10
11										11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					$	$		$ 158,554	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [X] NO [ ]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: XCEL MEDICAL SUPPLY, LLC
Street Address: 2201 MAIN STREET
City / State / Zip Code: EVANSTON, IL 60202
Phone Number: (847)328-7600
Fax Number: (847)328-7615

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	01	DIETARY	Direct Allocation			$	$		$ 8,947	1
2	02	FOOD	Direct Allocation						102	2
3	03	HOUSEKEEPING	Direct Allocation						23,528	3
4	04	LAUNDRY	Direct Allocation						8,985	4
5	06	REPAIRS & MAINTENANCE	Direct Allocation						426	5
6	10	NURSING	Direct Allocation						45,820	6
7	10A	THERAPY	Direct Allocation						7	7
8	12	SOCIAL SERVICE	Direct Allocation						1	8
9	21	CLERICAL & GENERAL OFFIC	Direct Allocation						132	9
10	22	EMPLOYEE BENEFITS	Direct Allocation						1,162	10
11	39	ANCILLARY	Direct Allocation						24,853	11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					$	$		$ 113,964	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [X] NO [ ]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: Pinnacle Care Health Services, LLC
Street Address: 1020 Milwaukee Avenue
City / State / Zip Code: Deerfield, Illinois 60015
Phone Number: ((847) 541-9100
Fax Number: ( )

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	05	Utilities	Patient Days	155,903	3	$ 2,638	$	74,546	$ 1,261	1
2	19	Professional Fees	Patient Days	155,903	3	3,900		74,546	1,865	2
3	20	Dues and Subscriptions	Patient Days	155,903	3	741		74,546	354	3
4	21	Office	Patient Days	155,903	3	56,891		74,546	27,203	4
5	24	Travel and Seminar	Patient Days	155,903	3	425		74,546	203	5
6	25	Other Staff Transportation	Patient Days	155,903	3	3,715		74,546	1,777	6
7	26	Insurance	Patient Days	155,903	3	13,574		74,546	6,490	7
8	30	Depreciation	Patient Days	155,903	3	104,585		74,546	50,008	8
9	32	Interest	Patient Days	155,903	3	8,058		74,546	3,853	9
10	34	Rent - Building	Patient Days	155,903	3	36,540		74,546	17,472	10
11	35	Rent - Equipment	Patient Days	155,903	3	8,321		74,546	3,979	11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					$ 239,388	$		$ 114,465	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [X] NO [ ]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: Pinnacle Care Health Services, LLC
Street Address: 1020 Milwaukee Avenue
City / State / Zip Code: Deerfield, Illinois 60015
Phone Number: ((847) 541-9100
Fax Number: ( )

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	10	Nursing	Direct Cost	155,903	3	51,961	51,961	74,546	$ 24,845	1
2	15	Employee Benefits	Direct Cost	155,903	3	8,334		74,546	3,985	2
3	17	Administration	Direct Cost	155,903	3	16,615	16,615	74,546	7,945	3
4	21	Office	Direct Cost	155,903	3	209,976	209,976	74,546	100,402	4
5	27	Employee Benefits	Direct Cost	155,903	3	41,128		74,546	19,665	5
6										6
7										7
8										8
9										9
10										10
11										11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					$ 328,014	$ 278,553		$ 156,842	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES ☐ NO ☐

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization
Street Address
City / State / Zip Code
Phone Number ( )
Fax Number ( )

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1						$	$		$	1
2										2
3										3
4										4
5										5
6										6
7										7
8										8
9										9
10										10
11										11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					$	$		$	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

	1	2		3	4	5	6	7	8	9	10	
	Name of Lender	Related** YES	Related** NO	Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note Original	Amount of Note Balance	Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
	A. Directly Facility Related Long-Term											
1							$	$			$	1
2	Premier Bank		X	Bus Loan				24,131			991	2
3	CIB Bank		X					46,413			4,800	3
4												4
5	See Supplemental Schedule											5
	Working Capital											
6	CIB Bank		X	Line of Credit				2,194,500			130,553	6
7	Pinnacle Day Care	X						35,000				7
8	See Supplemental Schedule										14,423	8
9	TOTAL Facility Related						$	$ 2,300,044			$ 150,767	9
	B. Non-Facility Related*											
10												10
11	Interest Income		X								(7)	11
12												12
13	See Supplemental Schedule											13
14	TOTAL Non-Facility Related						$	$			$ (7)	14
15	TOTALS (line 9+line14)						$	$ 2,300,044			$ 150,760	15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. $ N/A Line #

*** Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7. (See instructions.)**

SEE ACCOUNTANTS' COMPILATION REPORT

**** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2. (See instructions.)**

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE - SUPPLEMENTAL SCHEDULE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

	1	2		3	4	5	6	7	8	9	10	
	Name of Lender	Related** YES	Related** NO	Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note Original	Amount of Note Balance	Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
	A. Directly Facility Related Long-Term											
1							$	$			$	1
2												2
3												3
4												4
5												5
6												6
7	TOTAL Long-Term											7
	Working Capital											
8	Insurance Financing		X				$	$			$ 1,562	8
9	Care Centers Allocation		X								6,693	9
10	Vent Lease Allocation		X								2,315	10
11	Pinnacle Allocation		X								3,853	11
12												12
13												13
14	TOTAL Working Capital										14,423	14
	B. Non-Facility Related*											
15							$	$			$	15
16												16
17												17
18												18
19												19
20	TOTAL Non-Facility Related											20

* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7. (See instructions.)

SEE ACCOUNTANTS' COMPILATION REPORT

** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2. (See instructions.)

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)

B. Real Estate Taxes

1. Real Estate Tax accrual used on 2002 report.	*Important*, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.	$ 188,384	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)		$ 129,868	2
3. Under or (over) accrual (line 2 minus line 1).		$ (58,516)	3
4. Real Estate Tax accrual used for 2003 report. (Detail and explain your calculation of this accrual on the lines below.)		$ 162,237	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. **(Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)**		$	5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. **TOTAL REFUND $ For Tax Year.** **(Attach a copy of the real estate tax appeal board's decision.)**		$	6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.		$ 103,721	7

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:		
1998		8
1999	39,064	9
2000	97,284	10
2001	114,989	11
2002	128,920	12

Beginning accrual adjusted by $68,236.

Allocate Care Centers - $948

	FOR OHF USE ONLY		
13	FROM R. E. TAX STATEMENT FOR 2002	$	13
14	PLUS APPEAL COST FROM LINE 5	$	14
15	LESS REFUND FROM LINE 6	$	15
16	AMOUNT TO USE FOR RATE CALCULATION	$	16

NOTES:

1. **Please indicate a negative number by use of brackets( ). Deduct any overaccrual of taxes from prior year.**
2. **If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity.**
   This denial must be no more than four years old at the time the cost report is filed.

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 2002 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2002 real estate tax costs, as well as copies of your real estate tax bills for calendar 2002.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2002 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2003 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions, please call the Office of Health Finance at (217) 782-1630.

2002 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Pinnacle Health Care COUNTY Lake

FACILITY IDPH LICENSE NUMBER 0044453

CONTACT PERSON REGARDING THIS REPORT : Steve Lavenda

TELEPHONE (847) 236-1111 FAX #: (847) 236-1155

A. **Summary of Real Estate Tax Cost**

Enter the tax index number and real estate tax assessed for 2002 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2002.

	(A) Tax Index Number	(B) Property Description	(C) Total Tax	(D) Tax Applicable to Nursing Home
1.	08-32-109-021	Long Term Care Property	$ 128,919.63	$ 128,919.63
2.	See Attached		$ 68,681.49	$ 948.21
3.			$	$
4.			$	$
5.			$	$
6.			$	$
7.			$	$
8.			$	$
9.			$	$
10.			$	$
		TOTALS	$ 197,601.12	$ 129,867.84

B. **Real Estate Tax Cost Allocations**

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not directly used for nursing home services? X YES _____ NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing home. (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used.)

C. **Tax Bills**

Attach a copy of the 2002 tax bills which were listed in Section A to this statement. Be sure to use the 2002 tax bill which is normally paid during 2003.

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 2000 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2000 real estate tax costs, as well as copies of your real estate tax bills for calendar 2000.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2000 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2001 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions, please call the Office of Health Finance at (217) 782-1630.

2002 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Pinnacle Health Care COUNTY Lake

FACILITY IDPH LICENSE NUMBER 0044453

CONTACT PERSON REGARDING THIS REPORT : Steve Lavenda

TELEPHONE (847) 236-1111 FAX #: (847) 236-1155

A. **Summary of Real Estate Tax Cost**

Enter the tax index number and real estate tax assessed for 2000 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2000.

	(A) Tax Index Number	(B) Property Description	(C) Total Tax	(D) Tax Applicable to Nursing Home
1.			$	$
2.			$	$
3.			$	$
4.			$	$
5.			$	$
6.			$	$
7.			$	$
8.			$	$
9.			$	$
10.			$	$
		TOTALS	$	$

B. **Real Estate Tax Cost Allocations**

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not directly used for nursing home services? _____ YES _____ NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing home. (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used.)

C. **Tax Bills**

Attach a copy of the 2000 tax bills which were listed in Section A to this statement. Be sure to use the 2000 tax bill which is normally paid during 2001.

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 48,925 B. General Construction Type: Exterior _____ Frame _____ Number of Stories _____

C. Does the Operating Entity? [ ] (a) Own the Facility [ ] (b) Rent from a Related Organization. [X] (c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)

D. Does the Operating Entity? [X] (a) Own the Equipment [ ] (b) Rent equipment from a Related Organization. [X] (c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's grounds (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, nurse aide training facilities, etc.) List entity name, type of business, square footage, and number of beds/units available (where applicable).

Child Care - 800 square feet

F. Does this cost report reflect any organization or pre-operating costs which are being amortized? [ ] YES [X] NO
If so, please complete the following:

1. Total Amount Incurred: _____ 2. Number of Years Over Which it is Being Amortized: _____

3. Current Period Amortization: _____ 4. Dates Incurred: _____

Nature of Costs: _____
(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

	1 Use	2 Square Feet	3 Year Acquired	4 Cost	
1				$	1
2	2201 Main LLC Allocation			7,019	2
3	TOTALS			$ 7,019	3

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Beds*	FOR OHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4					$	$		$	$	$	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9	Various			1999	71,170		20	3,559	3,559	14,400	9
10								-		-	10
11								-		-	11
12								-		-	12
13								-		-	13
14								-		-	14
15								-		-	15
16								-		-	16
17								-		-	17
18								-		-	18
19								-		-	19
20								-		-	20
21								-		-	21
22								-		-	22
23								-		-	23
24								-		-	24
25								-		-	25
26								-		-	26
27								-		-	27
28								-		-	28
29								-		-	29
30								-		-	30
31								-		-	31
32								-		-	32
33								-		-	33
34								-		-	34
35								-		-	35
36								-		-	36

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete.

See Page 12A, Line 70 for total

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
37			$	$		$	$	$	37
38									38
39									39
40									40
41									41
42									42
43									43
44									44
45									45
46									46
47									47
48									48
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57									57
58									58
59									59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67	Related Building Company (Pages 12-BLDG & 12A-BLDG)								67
68	Related Party Allocations (Pages 12-REP & 12A-REP)		30,526	3,161		3,161		3,218	68
69	Financial Statement Depreciation			143,023			(143,023)		69
70	TOTAL (lines 4 thru 69)		$ 101,696	$ 146,184		$ 6,720	$ (139,464)	$ 17,618	70

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		$ 101,696	$ 146,184		$ 6,720	$ (139,464)	$ 17,618	1
2	Bldg Renovations	2000	16,200		20	810	810	3,240	2
3	Paint & Decorate	2000	11,507		20	575	575	2,301	3
4	Electrical Renov	2000	1,198		20	60	60	240	4
5	Elevator Renov	2000	6,431		20	322	322	1,287	5
6	Carpeting	2000	1,320		20	66	66	259	6
7	Sump Pump	2000	3,225		20	161	161	632	7
8	Hvac Renov	2000	4,966		20	248	248	972	8
9	Paint & Decorate	2000	620		20	31	31	121	9
10	Paint & Decorate	2000	2,146		20	107	107	411	10
11	Electrical	2000	2,060		20	103	103	395	11
12	Plaster/Electrical	2000	5,425		20	271	271	1,040	12
13	Plumbing Renov	2000	4,260		20	213	213	799	13
14	Carpeting	2000	1,465		20	73	73	275	14
15	Plumbing Renov	2000	4,000		20	200	200	733	15
16	Elevator Module	2000	2,568		20	128	128	470	16
17	Hvac	2000	1,445		20	72	72	265	17
18	Bldg Renov	2000	9,500		20	475	475	1,663	18
19	Hvac	2000	2,080		20	104	104	364	19
20	Plumbing	2000	7,737		20	387	387	1,322	20
21	Hvac	2000	1,419		20	71	71	243	21
22	Plumbing	2000	4,400		20	220	220	733	22
23	Fence	2000	3,441		20	172	172	573	23
24	Elevator Renov	2000	1,089		20	54	54	181	24
25	Carpeting	2000	200		20	10	10	33	25
26	Bldg Renov	2000	950		20	48	48	155	26
27	Hvac	2000	954		20	48	48	155	27
28	Electrical Renov	2000	1,702		20	85	85	276	28
29	Fire Alarm System	2000	1,668		20	83	83	264	29
30	Smoke Detectors	2000	13,040		20	652	652	2,065	30
31	Hvac	2000	4,024		20	201	201	637	31
32	Cubicle Curtains	2000	5,024		20	251	251	774	32
33	Countertop	2000	6,650		20	333	333	1,276	33
34	TOTAL (lines 1 thru 33)		$ 234,410	$ 146,184		$ 13,354	$ (132,830)	$ 41,772	34

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12B, Carried Forward		$ 234,410	$ 146,184		$ 13,354	$ (132,830)	$ 41,772	1
2	Bldg Renov	2000	911		20	46	46	156	2
3	Painting & Decor	2001	31,420		20	1,571	1,571	4,582	3
4	Wallpaper	2001	4,521		20	226	226	659	4
5	Carpet	2001	2,195		20	220	220	641	5
6	Cooling Tower	2001	25,190		20	1,260	1,260	3,569	6
7	Labor	2001	9,920		20	496	496	1,323	7
8	Wallpaper	2001	3,790		20	190	190	506	8
9	Cooling Tower	2001	757		20	38	38	89	9
10	Wallpaper	2001	6,715		20	336	336	728	10
11	Security Camera	2001	1,992		20	100	100	299	11
12	Phone	2001	11,000		20	550	550	1,375	12
13	Phones	2001	11,200		20	560	560	1,353	13
14	Sign	2001	1,543		20	77	77	186	14
15	Phones	2001	6,529		20	326	326	762	15
16	Security Cameras	2001	1,770		20	89	89	199	16
17	Boiler	2002	11,259		20	938	938	1,877	17
18	Boiler	2002	10,623		20	885	885	1,771	18
19	Hvac	2002	1,490		20	99	99	199	19
20	Borders	2002	1,110		20	111	111	222	20
21	Lighting	2002	4,542		20	303	303	606	21
22	Elevator	2002	11,735		20	587	587	1,125	22
23	Painting	2002	5,425		20	904	904	5,425	23
24	Plumbing	2002	2,500		20	167	167	306	24
25	Paging System	2002	1,637		20	164	164	300	25
26	Parking Lot Design	2002	1,610		20	41	41	74	26
27	Flooring	2002	17,178		20	1,145	1,145	1,909	27
28	Painting	2002	24,750		20	10,313	10,313	24,750	28
29	Water Heater	2002	3,401		20	283	283	449	29
30	Parking Lot Survey	2002	1,175		20	30	30	41	30
31	Topografyc Survey	2002	2,679		20	69	69	94	31
32	Design Parking Lot	2002	1,365		20	35	35	45	32
33	Architect Fee Parking	2002	963		20	25	25	30	33
34	TOTAL (lines 1 thru 33)		$ 457,305	$ 146,184		$ 35,538	$ (110,646)	$ 97,422	34

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12C, Carried Forward		$ 457,305	$ 146,184		$ 35,538	$ (110,646)	$ 97,422	1
2	Roofing	2002	26,500		20	679	679	764	2
3	Hvac	2002	966		20	138	138	161	3
4	Cooling Tower	2002	1,474		20	147	147	172	4
5	Cooling Tower	2002	533		20	53	53	62	5
6	Water Temp Control	2002	907		20	76	76	88	6
7	Hvac	2002	986		20	99	99	115	7
8	Elevator	2002	1,450		20	73	73	85	8
9	Piping	2002	1,386		20	116	116	125	9
10	Pumping System	2002	1,620		20	162	162	175	10
11	Wire Glass	2002	581		20	58	58	63	11
12	Windows	2002	1,036		20	104	104	112	12
13	Wire Glass	2002	1,297		20	130	130	141	13
14	Boiler Repair	2003	2,313		20	116	116	116	14
15	Door Frames & Glass	2003	1,150		20	34	34	34	15
16	Fire Dampers	2003	2,086		20	52	52	52	16
17	Pump Motor	2003	1,519		20	25	25	25	17
18	Smoke Detectors	2003	2,097		20	44	44	44	18
19	Compressor	2003	2,065		20	26	26	26	19
20	Smoke Sensors	2003	1,101		20	28	28	28	20
21	Smoke Detectors	2003	573		20	14	14	14	21
22	Boiler Room Repair	2003	621		20	31	31	31	22
23	Boiler Repair	2003	725		20	33	33	33	23
24	Plumbing Repairs	2003	3,663		20	153	153	153	24
25	Satellite	2003	2,191		20	91	91	91	25
26	Light Fixtures	2003	4,662		20	175	175	175	26
27	Doors And Glass	2003	1,200		20	45	45	45	27
28	Roof Repair	2003	54,300		20	2,489	2,489	2,489	28
29	Painting	2003	8,000		20	267	267	267	29
30	Painting	2003	10,000		20	333	333	333	30
31	Roof Repair	2003	27,150		20	905	905	905	31
32	Painting	2003	5,800		20	169	169	169	32
33									33
34	TOTAL (lines 1 thru 33)		$ 627,257	$ 146,184		$ 42,403	$ (103,781)	$ 104,515	34

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12D, Carried Forward		$ 627,257	$ 146,184		$ 42,403	$ (103,781)	$ 104,515	1
2									2
3									3
4									4
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8									8
9									9
10									10
11									11
12									12
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23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		$ 627,257	$ 146,184		$ 42,403	$ (103,781)	$ 104,515	34

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12E, Carried Forward		$ 627,257	$ 146,184		$ 42,403	$ (103,781)	$ 104,515	1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
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24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		$ 627,257	$ 146,184		$ 42,403	$ (103,781)	$ 104,515	34

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12F, Carried Forward		$ 627,257	$ 146,184		$ 42,403	$ (103,781)	$ 104,515	1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
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26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		$ 627,257	$ 146,184		$ 42,403	$ (103,781)	$ 104,515	34

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12G, Carried Forward		$ 627,257	$ 146,184		$ 42,403	$ (103,781)	$ 104,515	1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
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24									24
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26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		$ 627,257	$ 146,184		$ 42,403	$ (103,781)	$ 104,515	34

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12H, Carried Forward		$ 627,257	$ 146,184		$ 42,403	$ (103,781)	$ 104,515	1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
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26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		$ 627,257	$ 146,184		$ 42,403	$ (103,781)	$ 104,515	34

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12I, Carried Forward		$ 627,257	$ 146,184		$ 42,403	$ (103,781)	$ 104,515	1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
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26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		$ 627,257	$ 146,184		$ 42,403	$ (103,781)	$ 104,515	34

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12J, Carried Forward		$ 627,257	$ 146,184		$ 42,403	$ (103,781)	$ 104,515	1
2									2
3									3
4									4
5									5
6									6
7									7
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25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		$ 627,257	$ 146,184		$ 42,403	$ (103,781)	$ 104,515	34

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Beds*	FOR OHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4					$	$		$	$	$	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9											9
10											10
11											11
12											12
13											13
14											14
15											15
16											16
17											17
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27											27
28											28
29											29
30											30
31											31
32											32
33											33
34											34
35											35
36											36

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete.

See Page 12A-BLDG, Line 70 for total

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
37			$	$		$	$	$	37
38									38
39									39
40									40
41									41
42									42
43									43
44									44
45									45
46									46
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59									59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		$	$		$	$	$	70

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Beds*	FOR OHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4	2201 Main LLC Allocation		2002	2002	$ 9,672	$ 242	35	$ 242	$	$ 262	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9	2201 Main LLC Allocation			2002	8,956	448	20	448		485	9
10	2201 Main LLC Allocation			2003	7,921	198	20	198		198	10
11	Pinnacle Care Health Services Allocation			2003	3,977	2,273	20	2,273		2,273	11
12											12
13											13
14											14
15											15
16											16
17											17
18											18
19											19
20											20
21											21
22											22
23											23
24											24
25											25
26											26
27											27
28											28
29											29
30											30
31											31
32											32
33											33
34											34
35											35
36											36

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete.

See Page 12A-REP, Line 70 for total

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
37			$	$		$	$	$	37
38									38
39									39
40									40
41									41
42									42
43									43
44									44
45									45
46									46
47									47
48									48
49									49
50									50
51									51
52									52
53									53
54									54
55									55
56									56
57									57
58									58
59									59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		$ 30,526	$ 3,161		$ 3,161	$	$ 3,218	70

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XI. OWNERSHIP COSTS (continued)

C. Equipment Depreciation-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	$ 449,551	$ 17,689	$ 52,859	$ 35,170	10	$ 144,073	71
72	Current Year Purchases	114,892	35,761	39,296	3,535	10	39,296	72
73	Fully Depreciated Assets	2,046				10	2,046	73
74								74
75	TOTALS	$ 566,489	$ 53,450	$ 92,155	$ 38,705		$ 185,415	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76		Care Centers, Inc Allocation		$ 10,058	$ 1,087	$ 1,087	$	5	$ 7,914	76
77		Pinnacle Allocation		69,032	10,640	10,640		5	44,069	77
78		BUS PURCHASE	2001	52,634		5,263	5,263	5	15,790	78
79										79
80	TOTALS			$ 131,724	$ 11,727	$ 16,990	$ 5,263		$ 67,773	80

E. Summary of Care-Related Assets

		1 Reference	2 Amount	
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	$ 1,332,489	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	$ 211,361	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	$ 151,548	83 **
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	$ (59,813)	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	$ 357,703	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86		$	$	$	86
87					87
88					88
89					89
90					90
91	TOTALS	$	$	$	91

G. Construction-in-Progress

	Description	Cost	
92		$	92
93			93
94			94
95		$	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: American National Bank & Trust Co. as trustee for Trust No 25-6859

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?
If NO, see instructions. [X] YES [ ] NO

		1 Year Constructed	2 Number of Beds	3 Date of Lease	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:		271	6/30/99	$ 1,286,123			3
4	Additions							4
5	Care Centers Allocation				1,569			5
6	Pinnacle Allocation				17,472			6
7	TOTAL		271		$ 1,305,164 **			7

8. List separately any amortization of lease expense included on page 4, line 34.
This amount was calculated by dividing the total amount to be amortized
by the length of the lease .

9. Option to Buy: [ ] YES [ ] NO Terms: *

10. Effective dates of current rental agreement:
Beginning
Ending

11. Rent to be paid in future years under the current rental agreement:

	Fiscal Year Ending	Annual Rent
12.	/2004	$
13.	/2005	$
14.	/2006	$

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental? [ ] YES [X] NO

16. Rental Amount for movable equipment: $ 15,703 Description: See Attached Schedule
(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17	Facility	GMAC	$ 790.48	$ 9,486	17
18					18
19					19
20					20
21	TOTAL		$ 790.48	$ 9,486	21

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XIII. EXPENSES RELATING TO NURSE AIDE TRAINING PROGRAMS (See instructions.)

A. TYPE OF TRAINING PROGRAM (If aides are trained in another facility program, attach a schedule listing the facility name, address and cost per aide trained in that facility.)

1. HAVE YOU TRAINED AIDES DURING THIS REPORT PERIOD? [ ] YES [X] NO

If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.

2. CLASSROOM PORTION:
   - IN-HOUSE PROGRAM [ ]
   - IN OTHER FACILITY [ ]
   - COMMUNITY COLLEGE [ ]
   - HOURS PER AIDE ____

3. CLINICAL PORTION:
   - IN-HOUSE PROGRAM [ ]
   - IN OTHER FACILITY [ ]
   - HOURS PER AIDE ____

B. EXPENSES

ALLOCATION OF COSTS (d)

		1	2	3	4
		Facility			
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	$	$	$	$
2	Books and Supplies				
3	Classroom Wages (a)				
4	Clinical Wages (b)				
5	In-House Trainer Wages (c)				
6	Transportation				
7	Contractual Payments				
8	Nurse Aide Competency Tests				
9	TOTALS	$	$	$	$
10	SUM OF line 9, col. 1 and 2 (e)	$			

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training aides from other facilities.

$

D. NUMBER OF AIDES TRAINED

COMPLETED	
1. From this facility	
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	

(a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
(b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
(c) For in-house training programs only. Do not include fringe benefits.
(d) Allocate based on if the aide is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own aides.
(e) The total amount of Drop-out and Completed Costs for your own aides must agree with Sch. V, line 13, col. 8.
(f) Attach a schedule of the facility names and addresses of those facilities for which you trained aides.

SEE ACCOUNTANTS' COMPILATION REPORT

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

	1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff Units of Service	Staff Cost	Outside Practitioner (other than consultant) Units	Outside Practitioner (other than consultant) Cost	Supplies (Actual or) Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
1	Licensed Occupational Therapist	39 - 03	hrs	$		$ 120,500	$		$ 120,500	1
2	Licensed Speech and Language Development Therapist	39 - 03	hrs			6,406			6,406	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	39 - 03	hrs			104,753			104,753	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	39 - 02	# of prescrpts				229,272		229,272	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify): See Supplemental			146,483		30,997	135,131		312,611	13
14	TOTAL			$ 146,483		$ 262,656	$ 364,403		$ 773,542	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as nurse aides, who help with the above activities should not be listed on this schedule.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 **Report Period Beginning:** 01/01/03 **Ending:** 12/31/03

XV. BALANCE SHEET - Unrestricted Operating Fund. As of 12/31/03 (last day of reporting year)

This report must be completed even if financial statements are attached.

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	$ 2,600	$	1
2	Cash-Patient Deposits	44,861		2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	2,733,957		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	139,164		6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)	293,500		8
9	Other(specify): See Attached Schedule	160,421		9
10	**TOTAL Current Assets (sum of lines 1 thru 9)**	$ 3,374,503	$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	25,650		13
14	Buildings, at Historical Cost			14
15	Leasehold Improvements, at Historical Cost	582,644		15
16	Equipment, at Historical Cost	577,039		16
17	Accumulated Depreciation (book methods)	(425,570)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify): See Attached Schedule			23
24	**TOTAL Long-Term Assets (sum of lines 11 thru 23)**	$ 759,763	$	24
25	**TOTAL ASSETS (sum of lines 10 and 24)**	$ 4,134,266	$	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	$ 1,893,519	$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	67,805		28
29	Short-Term Notes Payable	1,600,044		29
30	Accrued Salaries Payable	206,984		30
31	Accrued Taxes Payable (excluding real estate taxes)	101,494		31
32	Accrued Real Estate Taxes(Sch.IX-B)	162,237		32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes	166,670		35
	Other Current Liabilities(specify):			
36	See Attached Schedule	254,824		36
37				37
38	**TOTAL Current Liabilities (sum of lines 26 thru 37)**	$ 4,453,577	$	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable	700,000		39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43	See Attached Schedule			43
44				44
45	**TOTAL Long-Term Liabilities (sum of lines 39 thru 44)**	$ 700,000	$	45
46	**TOTAL LIABILITIES (sum of lines 38 and 45)**	$ 5,153,577	$	46
47	**TOTAL EQUITY(page 18, line 24)**	$ (1,019,311)	$	47
48	**TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)**	$ 4,134,266	$	48

SEE ACCOUNTANTS' COMPILATION REPORT

***(See instructions.)**

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	**Balance at Beginning of Year, as Previously Reported**	$ 161,548	1
2	Restatements (describe):		2
3	See Attached	(230,587)	3
4			4
5			5
6	**Balance at Beginning of Year, as Restated (sum of lines 1-5)**	$ (69,039)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(950,272)	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	( )	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	**TOTAL Additions (deductions) (sum of lines 7-16)**	$ (950,272)	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	**TOTAL Transfers (sum of lines 18-22)**	$	23
24	**BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)**	$ (1,019,311)	24 *

*** This must agree with page 17, line 47.**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.

Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

	Revenue	1 Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	$ 7,907,427	1
2	Discounts and Allowances for all Levels	(857,817)	2
3	**SUBTOTAL Inpatient Care (line 1 minus line 2)**	$ 7,049,610	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	1,515,549	6
7	Oxygen	382,240	7
8	**SUBTOTAL Ancillary Revenue (lines 4 thru 7)**	$ 1,897,789	8
	C. Other Operating Revenue		
9	Payments for Education		9
10	Other Government Grants		10
11	Nurses Aide Training Reimbursements		11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care		13
14	Non-Patient Meals		14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	238,443	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	32,403	19
20	Radiology and X-Ray	7,178	20
21	Other Medical Services	105,778	21
22	Laundry		22
23	**SUBTOTAL Other Operating Revenue (lines 9 thru 22)**	$ 383,802	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***	7	25
26	**SUBTOTAL Non-Operating Revenue (lines 24 and 25)**	$ 7	26
	E. Other Revenue (specify):**		
27	Settlement Income (Insurance, Legal, Etc.)		27
28	See Supplemental Schedule	83,108	28
28a			28a
29	**SUBTOTAL Other Revenue (lines 27, 28 and 28a)**	$ 83,108	29
30	**TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)**	$ 9,414,316	30

	Expenses	2 Amount	
	A. Operating Expenses		
31	General Services	1,573,182	31
32	Health Care	3,909,724	32
33	General Administration	2,212,233	33
	B. Capital Expense		
34	Ownership	1,690,199	34
	C. Ancillary Expense		
35	Special Cost Centers	830,877	35
36	Provider Participation Fee	148,373	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	**TOTAL EXPENSES (sum of lines 31 thru 39)***	$ 10,364,588	40
41	**Income before Income Taxes (line 30 minus line 40)****	(950,272)	41
42	**Income Taxes**		42
43	**NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)**	$ (950,272)	43

* **This must agree with page 4, line 45, column 4.**

** **Does this agree with taxable income (loss) per Federal Income Tax Return? Not Complete If not, please attach a reconciliation.**

*** **See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation.** **SEE ACCOUNTANTS' COMPILATION REPORT**

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.**

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)
(This schedule must cover the entire reporting period.)

		1 # of Hrs. Actually Worked	2** # of Hrs. Paid and Accrued	3 Reporting Period Total Salaries, Wages	4 Average Hourly Wage	
1	Director of Nursing	2,268	2,439	$ 78,044	$ 32.00	1
2	Assistant Director of Nursing	2,363	2,541	68,600	27.00	2
3	Registered Nurses	42,200	45,377	1,128,520	24.87	3
4	Licensed Practical Nurses	23,455	25,220	571,746	22.67	4
5	Nurse Aides & Orderlies	116,445	125,210	1,249,695	9.98	5
6	Nurse Aide Trainees					6
7	Licensed Therapist	6,459	6,946	146,483	21.09	7
8	Rehab/Therapy Aides	9,758	10,493	147,571	14.06	8
9	Activity Director	2,077	2,234	29,261	13.10	9
10	Activity Assistants	10,416	11,200	89,713	8.01	10
11	Social Service Workers	9,590	10,312	148,083	14.36	11
12	Dietician					12
13	Food Service Supervisor	4,219	4,537	75,851	16.72	13
14	Head Cook	13,288	14,288	124,018	8.68	14
15	Cook Helpers/Assistants	20,607	22,158	142,921	6.45	15
16	Dishwashers					16
17	Maintenance Workers	5,008	5,385	75,870	14.09	17
18	Housekeepers	25,958	27,912	210,179	7.53	18
19	Laundry	14,210	15,280	103,445	6.77	19
20	Administrator	4,023	4,325	109,056	25.22	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	5,427	6,074	83,639	13.77	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator					29
30	Habilitation Aides (DD Homes)					30
31	Medical Records	2,473	2,659	25,792	9.70	31
32	Other Health Care(specify)					32
33	Other(specify) See Supplemental	6,263	6,734	56,096	8.33	33
34	TOTAL (lines 1 - 33)	326,507	351,324	$ 4,664,583 *	$ 13.28	34

B. CONSULTANT SERVICES

		1 Number of Hrs. Paid & Accrued	2 Total Consultant Cost for Reporting Period	3 Schedule V Line & Column Reference	
35	Dietary Consultant	327	$ 13,471	01-03	35
36	Medical Director	Monthly	36,000	09-03	36
37	Medical Records Consultant	Monthly	2,752	10-03	37
38	Nurse Consultant	187	9,700	10-03	38
39	Pharmacist Consultant	Monthly	4,472	10-03	39
40	Physical Therapy Consultant	63	3,271	10a-03	40
41	Occupational Therapy Consultant	53	2,756	10a-03	41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	Monthly	2,024	11-03	44
45	Social Service Consultant	52	2,853	12-03	45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	682	$ 77,299		49

C. CONTRACT NURSES

		1 Number of Hrs. Paid & Accrued	2 Total Contract Wages	3 Schedule V Line & Column Reference	
50	Registered Nurses		$		50
51	Licensed Practical Nurses				51
52	Nurse Aides	271	5,576	10-03	52
53	TOTAL (lines 50 - 52)	271	$ 5,576		53

SEE ACCOUNTANTS' COMPILATION REPORT

* This total must agree with page 4, column 1, line 45.

** See instructions.

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XIX. SUPPORT SCHEDULES

A. Administrative Salaries

Name	Function	Ownership %	Amount
Mary Claussen	Administrator	0	$ 109,056
TOTAL (agree to Schedule V, line 17, col. 1)			
(List each licensed administrator separately.)			$ 109,056

B. Administrative - Other

Description	Amount
Management Fees - Adjusted out on page 5a	$ 40,000
Management Fees - Barry Gans	96,000
TOTAL (agree to Schedule V, line 17, col. 3)	$ 136,000
(Attach a copy of any management service agreement)	

C. Professional Services

Vendor/Payee	Type	Amount
Meyer Magence	Legal	$ 800
Winston & Strawn	Legal	10,341
FR&R	Accounting	21,170
Care Centers LLC	Accounting	2,500
Personnel Planners	Unemployment Consult	2,336
Pinnacle Care	Home Office Expense	74,597
Paychex	Payroll Service	10,174
Care Centers LLC	Bookkeeping	12,900
Pinnacle Care	Bookkeeping	60,980
TOTAL (agree to Schedule V, line 19, column 3)		
(If total legal fees exceed $2500 attach copy of invoices.)		$ 195,798

D. Employee Benefits and Payroll Taxes

Description	Amount
Workers' Compensation Insurance	$ 122,483
Unemployment Compensation Insurance	23,843
FICA Taxes	355,305
Employee Health Insurance	206,901
Employee Meals	
Illinois Municipal Retirement Fund (IMRF)*	
Pension Expense	41,714
Misc Employee Welfare	7,417
TOTAL (agree to Schedule V, line 22, col.8)	$ 757,663

E. Schedule of Non-Cash Compensation Paid to Owners or Employees

Description	Line #	Amount
		$
TOTAL		$

F. Dues, Fees, Subscriptions and Promotions

Description	Amount
IDPH License Fee	$
Advertising: Employee Recruitment	9,736
Health Care Worker Background Check	2,555
(Indicate # of checks performed 213)	
Licenses & Fees	2,257
Dues and Subscriptions	12,907
Care Centers Allocation	505
Pinnacle Allocation	354
Less: Public Relations Expense	( )
Non-allowable advertising	( )
Yellow page advertising	( )
TOTAL (agree to Sch. V, line 20, col. 8)	$ 28,314

G. Schedule of Travel and Seminar**

Description	Amount
Out-of-State Travel	$
In-State Travel	
Seminar Expense	340
Care Centers Allocation	792
Pinnacle Allocation	203
Entertainment Expense	( )
TOTAL (agree to Sch. V, line 24, col. 8)	$ 1,335

* Attach copy of IMRF notifications

**See instructions.

Facility Name & ID Number Pinnacle Health Care # 0044453 Report Period Beginning: 01/01/03 Ending: 12/31/03

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
1	N/A		$		$	$	$	$	$	$	$	$	$
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20	TOTALS		$		$	$	$	$	$	$	$	$	$

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Pinnacle Health Care # 0044453 **Report Period Beginning:** 01/01/03 **Ending:** 12/31/03

XX. GENERAL INFORMATION:

(1) Are nursing employees (RN,LPN,NA) represented by a union? **Yes**

(2) Are there any dues to nursing home associations included on the cost report? **No**
If YES, give association name and amount.

(3) Did the nursing home make political contributions or payments to a political action organization? **No** If YES, have these costs been properly adjusted out of the cost report?

(4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? **No** If YES, what is the capacity?

(5) Have you properly capitalized all major repairs and equipment purchases? **Yes**
What was the average life used for new equipment added during this period? **10 Years**

(6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. $ **356** Line **10**

(7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? **Yes** If NO, attach a complete explanation.

(8) Are you presently operating under a sale and leaseback arrangement? **No**
If YES, give effective date of lease.

(9) Are you presently operating under a sublease agreement? YES **X** NO

(10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES NO **X** If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.

(11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department of Public Aid during this cost report period. $ **148,373**
This amount is to be recorded on line 42 of Schedule V.

(12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? **No** If YES, attach an explanation of the allocation.

SEE ACCOUNTANTS' COMPILATION REPORT

(13) Have costs for all supplies and services which are of the type that can be billed to the Department of Public Aid, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? **Yes**

(14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? **Yes** For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.

(15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. $ Has any meal income been offset against related costs? **No** Indicate the amount. $

(16) Travel and Transportation
a. Are there costs included for out-of-state travel? **No**
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? **No** If YES, please indicate the amount of income earned from such a program during this reporting period. $
c. What percent of all travel expense relates to transportation of nurses and patients? **None**
d. Have vehicle usage logs been maintained? **N/A**
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? **No**
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? **N/A**
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. $

(17) Has an audit been performed by an independent certified public accounting firm? **No**
Firm Name: The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? If no, please explain.

(18) Have all costs which do not relate to the provision of long term care been adjusted out out of Schedule V? **Yes**

(19) If total legal fees are in excess of $2500, have legal invoices and a summary of services performed been attached to this cost report? **Yes**
Attach invoices and a summary of services for all architect and appraisal fees.